

One Minnesota Budget



FY 2024-25 Budget Recommendations

Our mission



The Minnesota Department of Human Services, working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential.

A Package Centered Around People Served and Improving the Health & Human Services System



620,000+ children
48% of children in MN



930,000+ adults and parents
27% of adults in MN



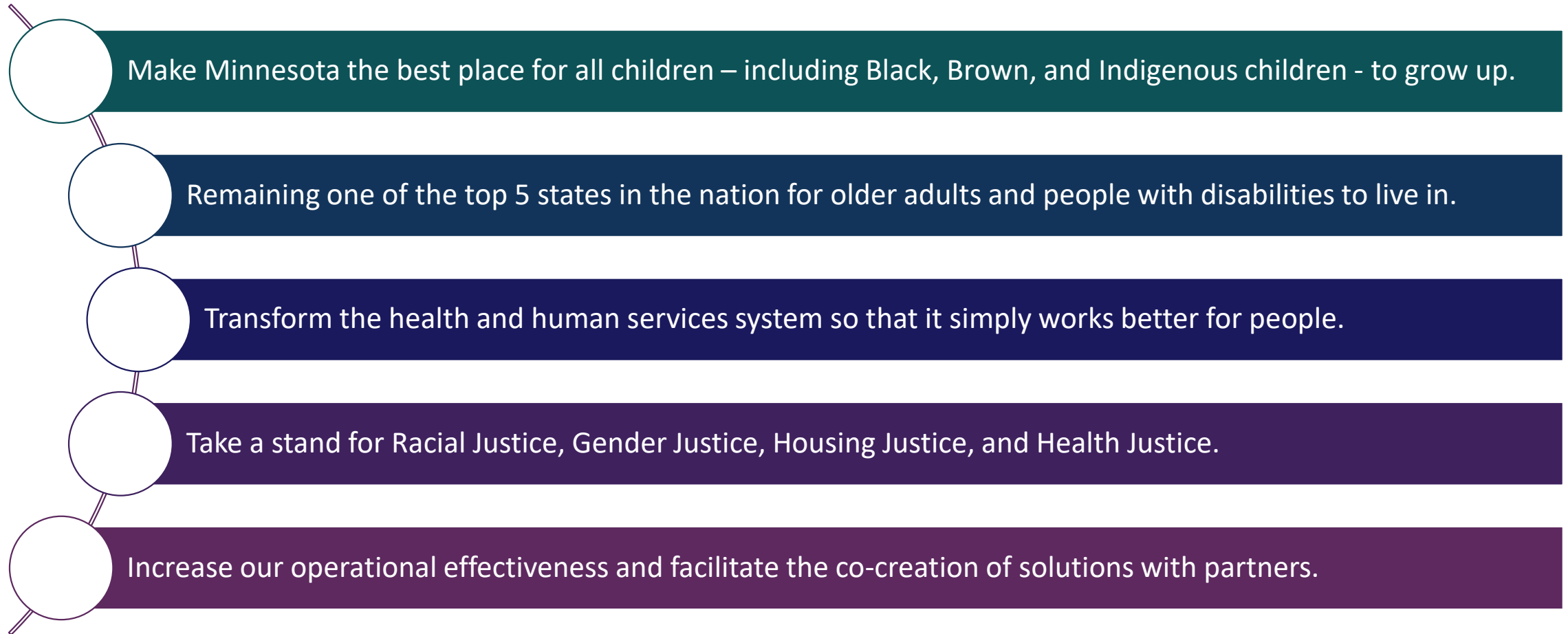
150,000+ older adults
17% of older adults in MN



230,000+ people with disabilities
37% of people with disabilities in MN



DHS Budget Package Pillars



Summary of Total DHS Budget Package

Proposal Category	FY23	FY24/25	FY26/27	Total	Proposals
Children & Families		708,815	975,800	1,684,615	17
Long-Term Care & Workforce		554,859	799,610	1,354,469	18
Access to Healthcare	2,287	145,988	185,076	333,351	28
Housing & Homelessness		121,212	187,533	308,745	5
Behavioral Health		141,216	163,686	304,902	9
Direct Care & Treatment		107,486	124,314	231,800	3
Service Delivery Transformation		129,452	68,190	197,642	6
Agency Effectiveness		71,808	89,067	160,875	13
Other		8,815	16,682	25,497	4
Grand Total	2,287	1,989,651	2,609,958	4,601,896	103

Costs in thousands

Summary of Total DHS Package by Fund

Fund	FY23	FY24/FY25	FY26/FY27	Total
General Fund	351	1,025,458	1,961,679	2,987,488
Health Care Access Fund	1,936	913,212	565,515	1,480,663
Federal Fund		37,363	33,215	70,578
Federal TANF		3,537	39,026	42,563
Opiate Epidemic Response		9,277	5,816	15,093
Paid Family Medical Leave			3,635	3,635
State Government Special Revenue		804	1,072	1,876
Grand Total	2,287	1,989,651	2,609,958	4,601,896

Costs in thousands

DHS Budget Package: Human Services Jurisdiction

Proposal Category	FY23	FY24/25	FY26/27	Total	Proposals
Long-Term Care & Workforce		554,859	799,610	1,354,469	18
Direct Care & Treatment		107,486	124,314	231,800	3
Behavioral Health		53,216	56,569	109,785	6
Service Delivery Transformation		25,921	22,240	48,161	1
Grand Total		741,482	1,002,733	1,744,215	28

Budget overview

Workforce and
Long Term
Care

Behavioral
Health

Direct Care
and Treatment

Agency
Effectiveness



Direct Care and Treatment

DCT programs and services



DCT serves 12,000 patients each year with highly specialized care.

- Patients have complex needs or are civilly committed
- Over 85% of operating expenditures are personnel costs

Statewide service network includes over 200 sites:

- Psychiatric hospitals and inpatient mental health facilities
- Substance use treatment facilities
- Group homes and vocational services for people with disabilities
- Special care dental clinics
- The nation's largest program for civilly committed sex offenders

Direct Care and Treatment Agency

Pg. 77



Investments

FY 2024-25 - \$7.8M

FY 2026-27 - \$7.5M

DC-40 DCT as a separate agency

- Positions DCT to operate more like other large health care systems
- Allows both DHS and DCT to focus on their different missions, goals, leadership and operational needs, workplaces and environments, regulatory requirements, budgetary priorities, and areas of expertise
- Individuals with deep experience and expertise in healthcare will provide DCT governance and leadership

DCT operating adjustment

Pg. 435



DC-42 DCT Operating adjustment

- Provides an operating increase to cover the full cost of care for patients and clients in state-operated treatment facilities
- Increases base appropriation by about 9.7% for the biennium
- The increase is necessary to avoid cuts in services and to maintain safe staff-to-client ratios

Investments

FY 2024-25 - \$99.7M

FY 2026-27 - \$116.8M

DCT program enhancements

Pg. 441



DC-41 DCT Program Enhancements

- Invests in services to stabilize individuals so they may remain in community settings and avoid admission to community hospitals and state-operated facilities
- Expands outpatient consultation services to individuals discharged from DCT programs
- Adds mobile crisis team to provide wraparound services for individuals with disabilities in the community
- Stabilizes the Community Addiction and Recovery Enterprise (CARE) program by transitioning from an enterprise service to an appropriation

Investments

FY 2024-25 - \$0

FY 2026-27 - \$0

Service Delivery Transformation

Pg. 437



DC-45 DCT Electronic Health Record

- Implement a comprehensive, integrated and interoperable EHR system that will improve patient care and safety
- Makes it possible for care providers outside of DCT to quickly access important patient records to facilitate continuity of care
- Provides patients and guardians easy access to their own health information
- Puts DCT in compliance with state and federal regulations

Investments

FY 2024-25 - \$25.9M

FY 2026-27 - \$22.2M



Agency Effectiveness

Supporting Timely Completion of Background Studies

Pgs. 463, 469

Combined Investments
FY 2024-25 - \$3.1M
FY 2026-27 - \$4.1M

OP-64 Background Studies Fee Changes

Increases background study fees from \$42 to 44 to align with costs; authorizes the department to raise background study fees by the amount the BCA increases fees in the future; and allocates general funds to recover the cost of studies conducted for tribal organizations for adoption and child foster care.

OP-70 Background Studies Operational Costs

Funds critical background studies positions to meet sharp increase in demand, supporting Minnesota’s workforce needs and the safety of children and vulnerable adults.

Critical Investments Supporting DHS Licensing

Pgs. 58, 389, 491

Combined Investments
FY 2024-25 - \$14.2M
FY 2026-27 - \$20.2M

OP-76 Critical Resources for Licensing

Supports licensing and oversight of home and community-based services (HCBS), foster care and childcare center licensing activities; maltreatment and licensing complaint investigations; and costs associated with receivership. Critical to ensure health and safety, as well as to respond effectively to workforce challenges.

OP-78 Home and Community-Based Services Corporate License Application Fee

Increases license fees for non-individuals applying for a home and community-based services (HCBS) license to align the non-individual license application fee for an HCBS license with the Minnesota Department of Health’s (MDH) application fee for a comprehensive home care provider license.

OP-81 Streamlining Behavioral Health Regulation

Begins the creation of a single comprehensive licensing structure for mental health service programs. This will improve the integration of behavioral health services, reduce the administrative regulatory burden on providers, and will ensure clients receive services under consistent requirements.



Workforce and Long-term Care

Workforce and Long Term Care Support

This package supports and enhances the quality of life for older Minnesotans, people with disabilities, and their families. The Governor's Budget:

- Addresses the historic direct care workforce shortage (over 52,000 current vacancies)
- Prioritizes investments where the direct care staff wage is the lowest and where current law does not already provide automatic increases, ensuring that employers are able to compete with other service providers and industries for workers
- Prioritizes supports that assist people to remain in their own home and communities
- Increases wages and access to competitive employment for people with disabilities
- Develops multi-faceted and innovative approaches to the workforce shortage

Increasing Rates for Home Care Workers

Pg. 25



AD-61 Community First Services and Supports (CFSS)/Personal Care Assistance (PCA) Rate Framework Investments

- Increases rates for CFSS/PCA services that allow people to remain in their homes, to remain employed, and to engage in community life.
- Professionalizes CFSS/PCA to attract and retain more workers by implementing experience-based rate tiers.
- Increases Consumer Directed Community Supports (CDCS) budgets to enable higher wages paid to staff

Investments

FY 2024-25 - \$302.7M

FY 2026-27 - \$490.6M

Older Adult Long Term Care Workforce Package

Pg. 40



Investments

FY 2024-25 - \$44.2M

FY 2026-27 - \$105.6M

AD-40 Older adult long term care workforce

- Increases the home and community-based service rates delivered under the Elderly Waiver (EW), Alternative Care (AC), and Essential Community Supports (ECS) programs to address the unprecedented workforce shortage in the long-term care sector
- Increases the monthly budgets for people leveraging informal support networks using the Consumer-Directed Community Supports (CDCS) option under the EW and AC programs

Capacity and workforce expansion programs

Pg. 221



Investments

FY 2024-25 - \$31.8M

FY 2026-27 - \$51.8M

AD-53 Capacity and Workforce Expansion Programs

- Funds two permanent grant programs to address the long-term care workforce shortage, with a focus on expanding the depth and diversity of the workforce and improving recruitment and retention
- Ongoing investments in the Provider Capacity grants for Rural and Underserved Communities will assist current providers to expand and new providers to enter the industry
- A new grant program will focus on immigrants, refugees and New Americans interested in joining the long-term care workforce, assisting with recruiting, matching with employers, and supports to assist in retaining new workers for vital long-term care positions.

Vulnerable Adult Act Redesign

Pg. 228



AD-42 Vulnerable Adult Act Redesign

- This proposal addresses disparities in adult protection services for people with disabilities and older adults residing in their own homes
- Includes first-ever state funding for Tribal Nations to provide culturally appropriate protective services for vulnerable adult members of their communities
- Provides new state grant funds to counties to support adult protection investigation and service response. A minimum allocation will be made for each county sufficient to establish a base level for adult protective services programs
- An improved web-based reporting system that is intuitive and user friendly will expand usage, minimize technical support, and reduce operating costs

Investments

FY 2024-25 - \$24.5M

FY 2026-27 - \$27.7M

Critical Access Nursing Facilities

Pg. 208

AD-51 Critical Access Nursing Facilities

- This proposal revamps the Critical Access Nursing Facilities (CANF) program and adds funding to address the financial viability of rural nursing homes at risk of closure
- Maintains access to nursing facility care within a reasonable distance from home/family
- Assists an estimated 15 rural nursing facilities and 500 residents of rural communities annually

Investments

FY 2024-25 - \$1.9M

FY 2026-27 - \$2.0M

Long Term Care Tribal Investments

Pg. 240



Investments

FY 2024-25 - \$1.2M

FY 2026-27 - \$1.3M

AD-72 Tribal Elder Office

A Tribal Elder Office within DHS to promote a true government-to-government relationship and demonstrates respect for the sovereign status of Minnesota's federally-recognized Tribal Nations.

Supports the implementation of [MN Statute 10.65](#) by:

- Providing technical expertise to directly access and maximize use of federal funds;
- Establishing a long-term care services and supports (LTSS) workgroup
- Building capacity in tribes to provide LTSS to their members

Medicaid System and Program Improvements

Pgs. 235, 281



Combined Investments

FY 2024-25 - \$9.3M

FY 2026-27 - \$6.1M

HC-67 Improving the MA Experience for People with Disabilities

Technology investments, streamlined eligibility processes and program improvements for people with disabilities who apply for and enroll in MA, and resources for the State Medical Review Team (SMRT).

HC-75 MA-EPD Program Improvements and Conforming Changes

Streamlines the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program and making changes to conform with federal law.

Data-based Rates for Residential and Own Home Disability Services

Pg. 203



Investments

FY 2024-25 - \$80.8M

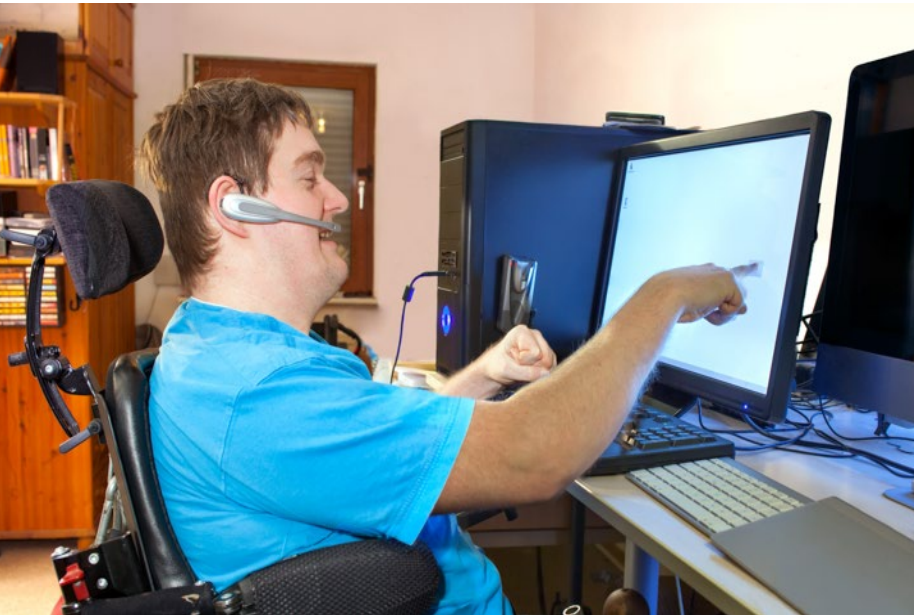
FY 2026-27 - \$38.9M

AD-70 Data-based Rates for Residential and Own Home Disability Services

- Updates the timing of disability waiver automatic inflationary updates so that rate increases are received sooner, enabling service providers to compete for direct care staff with other industries
- Implements a data-based rate methodology for intermediate care facilities for persons with developmental disabilities (IFC/DDs) to ensure people aging in place are not forced to relocate due to staff shortages.

HCBS Workforce Sustainability for People who Live in Their Own Homes

Pg. 195



AD-55 Workforce Sustainability for People who Live in Their Own Homes

- Higher rates and other system changes will stabilize and expand the HCBS workforce supporting people in their own homes
- Increases the rates for positive support services and other in-home disability waiver services to enable providers to compete for workers with other service providers and industries
- Hourly limits will go up for parents and spouses who are paid to provide consumer-directed community supports and community first services and supports
- People with disabilities will more easily find and hire direct support workers to meet essential daily needs

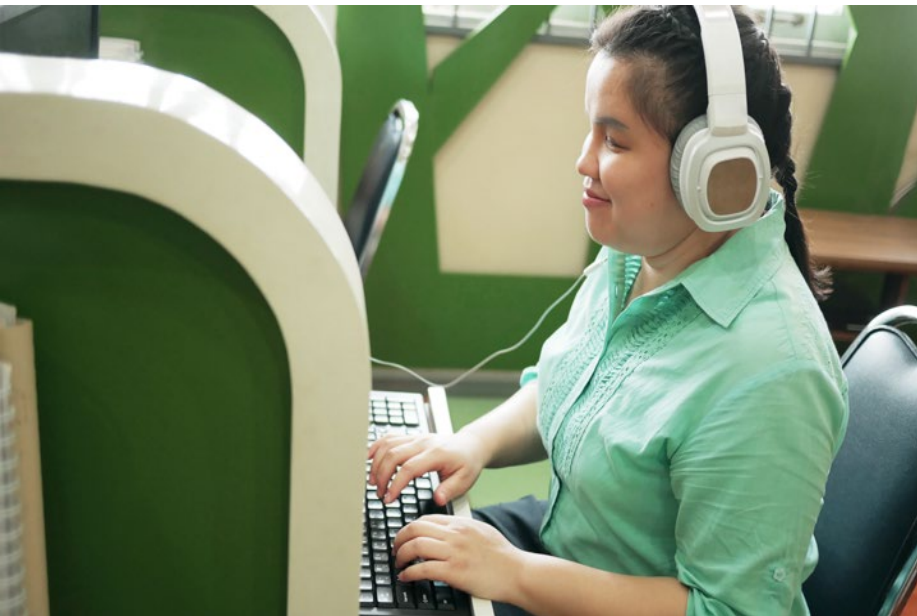
Investments

FY 2024-25 - \$30.4M

FY 2026-27 - \$52.7M

Increasing Wages and Workforce Participation for People with Disabilities

Pg. 51



AD-68 Increasing Wages and Workforce Participation for People with Disabilities

- Reforms and investments that align Minnesota's disability service system with Employment First policies
- This proposal will result in:
 - Increased wages and more inclusive worksites for people with disabilities
 - Increased labor force participation by people with disabilities, helping to address workforce shortages
- Renews the State's commitment to ensuring people with disabilities have access to competitive, integrated employment opportunities

Investments

FY 2024-25 - \$19.2M

FY 2026-27 - \$27.3M

Other Workforce and Long Term Care Investments

Pgs. 246, 259



Combined Investments

FY 2024-25 - \$5.5M

FY 2026-27 - \$3.3M

AD-64 Workforce technology investments

Supports the use of technology to enhance independent living and reduce reliance on direct support professionals

AD-54 EIDBI Culturally Responsive Rate & Licensure Study

Improves access to culturally responsive services for American Indian communities by improving access to payment incentives for American Indian providers of Early Intensive Developmental Behavioral Intervention (EIDBI) services. This proposal also funds a study for licensure options for the EIDBI service.

Other Workforce and Long Term Care Investments

Pgs. 217, 263



Combined Investments

FY 2024-25 - \$2.7M

FY 2026-27 – (\$9.6M)

AD-66 Supporting transitions for small customized living providers

Establishes a grant for Customized Living providers to comply with foster care or community residential setting licensing requirements; creates a new special payment program for customized living services providers that are approved by the Department of Health to close a licensed assisted living facility.

AD-60 Life sharing benefit and family residential rate tiers

Improves family residential service options available under Minnesota's disability waivers to address challenges in the direct care workforce and promote service delivery models that better meet the goals of people with disabilities. Creates a discrete MA service for Life Sharing and implements rate tiers for Family Residential Services (FRS) that align with a person's assessed support needs.

Other Workforce and Long-Term Care Investments

Pgs. 211, 251



Investments

FY 2024-25 - \$6.3M

FY 2026-27 - \$5.1M

AD-69 Improving assessment experiences for people and lead agencies:

Funds ongoing systems work to keep the MnCHOICES assessment modernized to meet the needs of people and partners; lowers the MnCHOICES assessor qualifications to attract more people to the work; and funds a presumptive eligibility study for Medical Assistance (MA) financial and functional eligibility.

AD-56 Planning for innovative and community-driven workforce solutions:

Leverages community wisdom and Medicaid flexibilities to plan for long-term solutions that address the ongoing workforce crisis. Studies the expansion of several waiver services such as positive support, crisis respite, respite, and specialist services. Develops and implements a training curriculum for assessors and case managers.



Behavioral health

Strengthening Minnesota's Behavioral Health Workforce



Serving 300,000 children, youth, families and adults each year with prevention, early intervention and culturally responsive services that promote resilience and recovery.

Services include:

- Mental health and substance use disorder services provided in community-based, outpatient settings
- Residential psychiatric and substance use treatment services
- Certified community behavioral health clinics
- Early childhood services, school-linked behavioral health services
- Collaborative, integrative, and intensive care models
- Peer supports to support people in recovery

Addressing the Opioid Epidemic and Medical Assistance Substance Use Disorder Continuum

Pgs. 285, 325



BH-47, BH-57

- Modifies the OERAC membership to more equitably represent populations most impacted
- Dedicating resources to disproportionately impacted communities
- Ongoing funding for traditional healing grants and overdose prevention
- Modifying Opioid Treatment Program (OTP) rates to ensure payment integrity
- Project ECHO hub for OTPs
- Funding to develop MA demonstrations for behavioral health services in correctional facilities, traditional healing, contingency management
- Start-up and capacity building grants for withdrawal management programs

Investments

FY 2024-25 - \$12.5M

FY 2026-27 - \$9M

Expedite Access to Behavioral Health Services

Pg. 291



BH-45 Expediting Access to Behavioral Health Services

- Hospitals, FQHCs, and RHCs as eligible vendors of comprehensive assessments
- County and Tribal administrative allowance study
- Public awareness campaign
- Expands eligibility for HSASMI and PATH grants to support people with substance use disorders
- Funding to the White Earth Nation for AMHI capacity building

Investments

FY 2024-25 - \$31.1M

FY 2026-27 - \$35.6M

Improving Quality of Services and Alleviating Administrative Burdens

Pg. 298



Investments

FY 2024-25 - \$2.2M

FY 2026-27 - \$2.4M

BH-46 Improving quality of service and alleviating administrative burdens

- Simplifies and streamlines regulations so providers can focus on people, not paperwork
- Ensures all programs meet evidence-based ASAM criteria and minimal co-occurring requirements
- Funding to support ongoing utilization management to support providers and improve outcomes for people
- Funding for data analysis and evaluation team for behavioral health

Improving Access to Behavioral Health Services

Pgs. 268



Investments

FY 2024-25 - \$27.9M

FY 2026-27 - \$42.8M

BH-49 Improving access to Behavioral Health Services

- County and tribal funding for room and board expenses for accessing children's residential facilities (CRF) services via non-child protection entry points
- Increases the rates for Adult Day Treatment (ADT)
- Ongoing funding for an online tool to help people and families find behavioral health services
- Funding for School-Linked Behavioral Health (SLBH) grants
- Funding for transition to community initiative, expands eligibility to children

Expand Mental Health Crisis and Early Intervention Services

Pg. 277



BH-52 Mental Health Crisis and Early Intervention Service Expansion

- Funding for First Episode Psychosis (FEP)
- Establishes an Emerging Mood Disorders Program
- Pilots Mobile Response and Stabilization Services (MRSS) model
- Continues grant funding for mobile crisis teams
- Funds tribally-based Mobile Crisis Response teams in MN
- Expands the Infant and Early Childhood Mental Health Consultation program to include schools

Investments

FY 2024-25 - \$24.8M

FY 2026-27 - \$28.9M

Sustaining the Behavioral Health Workforce

Pg. 306



BH-51 Sustaining the Behavioral Health Workforce

- Increases funding for the Cultural and Ethnic Minority Infrastructure Grants (CEMIG)
- Increases funding for Provider Supervision grants
- Increases funding for Psychiatric Residential Treatment Facility (PRTF) start-up and specialization grants

Investments

FY 2024-25 - \$35.3M

FY 2026-27 - \$35.4M

Sober Housing Program Regulation and Consumer Protections

Pg. 321



Investments

FY 2024-25 - \$407,000

FY 2026-27 - \$642,000

BH-56 Sober Housing Program Regulation and Consumer Protections

- Codifies quality and consumer protections and ensures programs can meet basic mental health needs and people have access to their medications
- Creates a certification for sober housing programs
- Establishes a registry of certified sober homes

Reforming Behavioral Health Peer Support Benefits

Pg. 312



Investments

FY 2024-25 - \$7M

FY 2026-27 - \$8.9M

BH-50 Reforming Behavioral Health Peer Support Benefits

This proposal increases access to MA peer services and recovery community organization (RCO) services. This proposal:

- Establishes funding for a state-based, community-led credentialing process for non-profit organizations seeking to become an RCO;
- Requires accreditation through a state-based credentialing entity, the Association for Recovery Community Organizations (ARCO), or the Council on Accreditation of Peer Recovery Support (CAPRSS) in order for an RCO to become an MA eligible vendor;
- Integrates standards and training for recovery peers and mental health peers;
- Establishes ongoing funding for peer training;
- Expands MA vendor eligibility for peer recovery services to counties;
- Adds base funding for RCO grants to pay for community-based recovery services that are not MA eligible; and
- Provides start-up grant funding for culturally-specific RCOs

Thank You!